

Financial Statement for the Six Months Ended September 30, 2014

November 7, 2014

Name of listed company: Mipox Corporation
 Stock Code: 5381 (URL http://www.mipox.co.jp)
 Name and Title of Representative: Jun Watanabe, President
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 Quarterly Report Filing Date (as planned): November 7, 2014

Stock Exchange: Tokyo Stock Exchange, Inc. JASDAQ

1. Consolidated Financial Result for the Six Months Ended September 30, 2014 (April 1, 2014 – September 30, 2014)

(Figures are rounded down to the nearest million)

(1) Consolidated Operating Result

(% implies the rate of increase/decrease year-on-year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2014	1,877	7.5	187	59.8	237	81.3	193	157.1
September 30, 2013	1,746	-2.3	117	-44.4	131	-28.0	75	-56.7

Note: Comprehensive Income: 271 million yen (219.8%) for the six months ended September 30, 2014
 84 million yen (-27.0%) for the six months ended September 30, 2013

	Net Income Per Share		Net Income Per Share (diluted)	
	Yen		Yen	
September 30, 2014	19.62		19.34	
September 30, 2013	7.65		7.49	

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	
	Millions of Yen	Millions of Yen		%
September 30, 2014	6,105	4,514	73.3	
March 31, 2014	5,884	4,292	72.3	

(Note) Equity capital (Millions of Yen): As of September 30, 2014 4,474
 As of March 31, 2014 4,253

2. Status of Distribution

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2014	—	0.00	—	5.00	5.00
FY2015	—	0.00	—	—	—
FY2015 (Expected)	—	—	—	5.00	5.00

Note: Revisions to dividend forecasts published most recently: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2014 (April 1, 2013– March 31, 2014)

(%changes as compared with the previous fiscal year and the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2015	3,823	1.7	257	-3.7	300	0.0	232	0.9	23.57

(Note)Revision of forecast for dividends published most recently: None

Notes: Request for appropriate use of the business outlook and other special remarks

Forecasts are based on information available to the management at the time of an announcement. Forecasts contain a lot of the element of the uncertainty. Actual results may differ from the figures provided above due to changes in business conditions.

4.Others

(1)Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

(2)Adoptions of simplified accounting methods and accounting methods particular to the presentation of quarterly financial statements: None

(3)Changes in accounting principles, presentation methods, etc., pertaining to preparation of consolidated financial statements

(Those to be stated as significant accounting policies)

1. Changes associated with revision in accounting standards: Yes

2. Others changes: None

(4)Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

September 30, 2014	10,696,320	March 31, 2014	10,696,320
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2. Numbers of treasury stock

September 30, 2014	849,608	March 31, 2014	852,488
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the second quarter)

September 30, 2014	9,844,232	September 30, 2013	9,819,583
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2014)	End of second quarter of current fiscal year (September 30, 2014)
Assets		
Current assets		
Cash and deposits	1,769,037	1,793,975
Notes and accounts receivable - trade	1,064,526	961,004
Electronically recorded monetary claims - operating	-	134,053
Merchandise and finished goods	203,172	197,300
Work in process	365,148	457,017
Raw materials and supplies	121,831	136,793
Deferred tax assets	70,629	69,924
Other	77,996	84,054
Allowance for doubtful accounts	-1,463	-1,567
Total current assets	3,670,878	3,832,556
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,740,887	3,759,120
Machinery, equipment and vehicles	1,481,230	1,488,717
Land	199,924	186,890
Other	459,739	489,453
Accumulated depreciation	-3,822,416	-3,910,972
Total property, plant and equipment	2,059,365	2,013,210
Intangible assets	97,624	203,525
Investments and other assets		
Deferred tax assets	99	94
Other	62,879	63,355
Allowance for doubtful accounts	-6,819	-6,819
Total investments and other assets	56,160	56,630
Total non-current assets	2,213,149	2,273,366
Total assets	5,884,027	6,105,922

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2014)	End of second quarter of current fiscal year (September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	175,704	201,920
Short-term loans payable	68,200	68,200
Current portion of long-term loans payable	90,951	95,606
Income taxes payable	30,069	41,161
Provision for bonuses	52,373	64,089
Other	151,511	166,527
Total current liabilities	568,810	637,505
Non-current liabilities		
Bonds payable	447,700	413,600
Long-term loans payable	299,359	250,926
Deferred tax liabilities	20,001	20,513
Provision for stocks payment	30,422	44,728
Provision for retirement benefits	108,261	114,822
Other	116,962	109,560
Total non-current liabilities	1,022,707	954,150
Total liabilities	1,591,517	1,591,655
Net assets		
Shareholders' equity		
Capital stock	1,998,700	1,998,700
Capital surplus	1,861,052	1,858,737
Retained earnings	728,904	870,898
Treasury shares	-543,966	-541,192
Total shareholders' equity	4,044,690	4,187,143
Accumulated other comprehensive income		
Foreign currency translation adjustment	208,368	287,077
Total accumulated other comprehensive income	208,368	287,077
Subscription rights to shares	39,451	40,046
Total net assets	4,292,509	4,514,266
Total liabilities and net assets	5,884,027	6,105,922

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	First six-month period of previous fiscal year (April 1, 2013 to September 30, 2013)	First six-month period of current fiscal year (April 1, 2014 to September 30, 2014)
Net sales	1,746,004	1,877,767
Cost of sales	986,870	1,023,159
Gross profit	759,133	854,608
Selling, general and administrative expenses	641,553	666,726
Operating income	117,580	187,881
Non-operating income		
Interest income	186	257
Rent income	11,341	7,457
Foreign exchange gains	40,134	45,048
Insurance income	957	4,987
Other	3,360	2,415
Total non-operating income	55,980	60,166
Non-operating expenses		
Interest expenses	12,871	5,654
Bond issuance cost	24,187	-
Guarantee commission	2,296	2,199
Other	3,012	2,388
Total non-operating expenses	42,368	10,242
Ordinary income (loss)	131,191	237,804
Extraordinary income		
Gain on sales of non-current assets	200	610
Gain on reversal of subscription rights to shares	799	188
Total extraordinary income	999	798
Extraordinary losses		
Loss on retirement of non-current assets	10,135	927
Office transfer expenses	2,347	-
Loss on cancellation of leases	5,200	-
Total extraordinary losses	17,682	927
Income (loss) before income taxes	114,508	237,676
Income taxes - current	46,539	41,016
Income taxes - deferred	-7,140	3,562
Total income taxes	39,398	44,578
Net income (loss) before minority interests adjustment	75,109	193,097
Net income (loss)	75,109	193,097
Other comprehensive income		
Foreign currency translation adjustment	9,876	78,709
Total other comprehensive income	9,876	78,709
Comprehensive income	84,985	271,806
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	84,985	271,806
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	First six-month period of previous fiscal year (April 1, 2013 to September 30, 2013)	First six-month period of current fiscal year (April 1, 2014 to September 30, 2014)
Cash flows from operating activities		
Income (loss) before income taxes	114,508	237,676
Depreciation and amortization	93,654	116,872
Increase (decrease) in allowance for doubtful accounts	-988	-
Increase (decrease) in provision for bonuses	21,543	10,600
Increase (decrease) in provision for retirement benefits	-992	-
Increase (decrease) in provision for stocks payment	16,636	14,305
Increase (decrease) in net defined benefit liability	-	6,560
Interest and dividends income	-186	-257
Interest expenses	12,871	5,654
Bond issuance cost	24,187	-
Loss (gain) on sales of non-current assets	-200	-610
Loss on retirement of non-current assets	10,135	927
Office transfer expenses	2,347	-
Loss on cancellation of leases	5,200	-
Decrease (increase) in notes and accounts receivable-trade	9,291	2,748
Decrease (increase) in inventories	-66,845	-79,949
Increase (decrease) in notes and accounts payable-trade	75,086	23,607
Others	-10,430	-16,249
Sub total	305,818	321,886
Interest and dividends income received	186	257
Interest expenses paid	-11,894	-5,644
Payments for office transfer expenses	-2,347	-
Loss on cancellation of leases Paid	-5,200	-
Income taxes paid	-40,578	-37,089
Net cash provided by operating activities	245,983	279,409
Cash flows from investing activities		
Purchases of property, plant and equipment	-246,584	-65,075
Proceeds from sales of property, plant and equipment	-	13,432
Expenditure on retirement of non - current assets	-4,000	-
Purchases of intangible assets	-2,650	-101,971
Others	-12,651	-3,405
Net cash used in investing activities	-265,886	-157,018

Consolidated Financial Statements
(3) Consolidated Statements of Cash Flows

(Thousands of Yen)

	First six-month period of previous fiscal year (April 1, 2013 to September 30, 2013)	First six-month period of current fiscal year (April 1, 2014 to September 30, 2014)
Cash flows from financing activities		
Proceeds from long-term loans payable	200,000	-
Repayment of long-term loans payable	-261,295	-45,426
Proceeds from issuance of bonds	525,812	-
Redemption of bonds	-	-34,100
Purchases of treasury stock	-34	-26
Proceeds from disposal of treasury stock	2,762	354
Repayments of lease obligations	-8,306	-13,824
Cash dividends paid	-0	-50,337
Net cash provided by financing activities	458,937	-143,360
Effect of exchange rate change on cash and cash equivalents	-942	45,011
Net increase (decrease) in cash and cash equivalents	438,091	24,041
Cash and cash equivalents at beginning of period	1,189,451	1,615,350
Cash and cash equivalents at end of period	1,627,543	1,639,392